App. F. IX-4

Previous References 1933. (42) File No. 172/33
Serial Nos. 41 to 42

Later References

R.A. 144-34 (1+4)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 2 (P) 31/B1

Part B for March '34

SUBJECT.

Mysore Govt. 4 p.c. Conversion Loan -
(1953-63)

841) Notification No. ಹಣ 317-ಸಾ ನಿ 11. XII. 33

16/5/34

Serial No.

K

CONVERSION LOAN.

Kind reference is invited to the last para of the Submission Note* dated 18th October 1933 in which it has been stated that the possibility of floating a bigger loan providing for the conversion of the 5% and 5½% Fixed Deposits and 5½% Bonds of 1938 will be considered after reviewing the progress achieved in the conversion of the Savings Bank Call Deposits and the 4% Fixed Deposits.

2. The amount of subscription to the New Loan till the end of November 1933 is noted below:-

Provisional.	Rs in lakhs.
Savings Bank Current Deposits	30.13
-do- 4% Fixed Deposits.	14.54
-do- 4½% and 5% Fixed Deposits (tendered at par).	.46
Total	45.13

3. It is now time to consider the conversion of the ~~Seven Year 5½% Fixed Deposits and~~ 5½% Bonds of 1938 and the Seven Year 5½% Fixed Deposits maturing in the years 1938 and 1939 respectively, which represent a substantial portion of our debt, amounting to Three Crores of Rupees. The present time is very opportune to convert these Bonds and the ~~5½%~~, 5% and 4½% Deposits also into a Long Term Loan bearing a reduced rate of interest and we would be taking a great risk in

WD 613—GPB—500 -26-9-31

Serial No.

in allowing it to pass away without attempting it. The financial and political condition in Western Countries is very uncertain. War may break out at any time. It is too much to expect the present low rate of interest to continue for all time. Any day it may go up. After the political changes in India, we may not be able to raise loans free of British Indian Income-tax.

4. From the progress of the Conversion Loan ~~now offered~~ it would appear that the terms of the New Loan now offered for the holders of Savings Bank Call Deposits and the 4% Fixed Deposits are not unattractive to the public. During the last few days in October 1933 (interval between the date of the Notification announcing the terms of the loan and 1st November 1933), about Rs 8 lakhs was deposited in the Government Savings Bank in cash apparently with a view to have the same transferred to the new Loan. ~~Rumours~~ It is also ascertained that the new Loan Bonds are being sold at a small premium in the market and the yield of our 5% Loan at current market rate of 114 is ~~not more than~~ less than about 4%. (4·034)

5. From our standpoint the terms of the loan (4% Par for 20 to 30 years) cannot be regarded as onerous and appear to be the best that we can reasonably hope to get for many years to come. I would therefore suggest that this loan may be offered for the conversion of (1) the 5½% Bonds and (2) Savings Bank Fixed Deposits carrying interest at 5½%, 5% and 4½% and (3) also 6¼% and 6½% Loan if Government so choose.

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Serial No.

6. It has already been decided that we would offer to the holders of these which are due for repayment several years hence, a cash bonus equal to the present value of the excess of interest which they would have drawn if they had kept their old securities till the date of redemption. As this will be a somewhat large amount for the 6¼ and 6½ %s it is for consideration whether we may include these also for conversion. Personally, I think there is no harm in including them.

7. In the case of the holders of Fixed Deposits, who gain a decided advantage in getting a negotiable security in lieu of a Fixed Deposit which cannot be sold in the market and which could be converted into cash only at maturity, a slightly smaller bonus would, in reason, appear to be sufficient. Though it is not proposed to accept cash subscriptions, I think that the cash bonus and interest for the broken period which we pay in cash and which will amount to pretty large sums may also be allowed to be subscribed for this loan at par at the option of the applicant. This will reduce the amount we have to pay and the amount for which we have to obtain Bank drafts for payment in British India and may be found convenient by some parties who might require another investment for the cash paid to them. 8. I therefore suggest the following proposals.

5½% Bonds 1938, 6¼% Loan 1940, and 6½% Loan 1941-51.

For every Rs 100/- (nominal value)

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General & Revenue Secretariat. | 97 File No. 172 of 1933.

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For every Rs 100 (nominal value) of the above bonds tendered for conversion, applicants will receive Rs 100/- (nominal value) of the 4% Loan 1953-63 bearing interest from 1st December 1933 and the following payments in cash at the time of the issue of the New Securities:-

(a) Interest on the old bonds at the old rates (up to the end of November 1933).

and (b) Cash bonus on conversion calculated at the following rates:-

	Amount. Rs.	as.	ps.
5½% Bonds 1938.	6	10	0
6¼% Loan 1940	13	5	0
6½% Loan 1941-51	16	8	0

Note.- The present market value of the above bonds is as follows:-

5½% Bonds 1938	about Rs	109 to 109½
6¼% Loan 1940	,,	115 to 115½
6½% Loan 1941-51	,,	116 to 116½

The cash bonus proposed is based on the present value at 4 % interest of the excess of interest which the holders would have drawn if they had kept their old securities till the date of redemption. We are thus paying neither more nor less interest than what we would otherwise have paid till the date of maturity of the old loans.

9. Savings Bank Deposits (Fixed).

For every Rs 100 of the Fixed Deposits tendered for conversion, applicants will receive Rs 100(nominal value) of the 4% Loan 1953-63 bearing interest from 1st December 1933 and

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and the following payments in cash at the time of issue of the New Securities:-

(a) interest on the Fixed Deposits at 5½%, 5% and 4½% as the case may be up to the end of November 1933, if not already drawn.

(b) cash bonus for each complete month after 1st December 1933 till the date of maturity of the deposits, calculated at the following rates:-

	For each complete month.
5½% Fixed Deposits	0 - 1 - 6
5% Fixed Deposits	0 - 1 - 0
4½% Fixed Deposits	0 - 0 - 6

Any Interest, ~~if any~~, that may have been paid for periods subsequent to 1st December 1933 will be adjusted out of the Cash Bonus payable, or recovered in cash at the time of the issue of the new Securities. These rates are slightly lower than the Present Value of the difference in interest between 4% and the rates carried by these deposits for the remaining period of their currency.

10. The loan will be kept open from the 15th December 1933 to 15th March 1934 (or three months) but the offer may be closed at any time within this period at the discretion of Government.

11. Brokerage will be paid at the rate of 3/32 per cent to recognized brokers and bankers on applications for conversion bearing their stamps.

12. Cash Bonus and interest upto end of November 33 paid in cash or any

WD 613—GPB—500 -26-9-31

Serial No.

or any portion ~~of it~~ there will be allowed to be offered for subscription to this loan at par, at the option of the applicant.

DEWAN'S OFFICE 3570 - 2 - DEC. 1933

13. The Imperial Bank has already agreed to receive the applications and bonds which may be tendered for conversion and pass the same ~~for~~ ~~[illegible]~~ to the Comptroller's Office, receiving for this work a commission of 1/16th per cent on the nominal value of bonds tendered for conversion. The services of this Bank will be utilised to this extent as it will add to the convenience and confidence of parties living in British India. For applications of brokers received through this Bank we would be paying commission at 2½ annas per cent. New Bonds and the Cheques or Demand Drafts for the Cash Bonus and interest will be arranged to be sent by the Comptroller direct to the parties.

14. If the general outline of the scheme is approved, the Comptroller will be asked to work out details and submit draft Notification etc., for approval.

15. The effect of the proposed conversion will be felt only five or six years hence but thereafter it will have a steadying effect on our financial position.

16. If the response to this offer is not much we do not lose anything. We are gainers to the extent that any conversion is made. So there is no harm.

M 12-33

Dewan

I agree.

M 2-12-33

Commrs matter. Chief Secy

For Disposal by Circulation

No. C. 138 7

9 1933/14.

GENERAL AND REVENUE SECRETARIAT

Council Matter

Subject

Proposals for converting into the 4% long term loan, the existing Loan bonds and Savings Bank Fixed Deposits which carry higher rates of interest.

Circulated to the Members of Council

By Order,

R. Rampath

Chief Secretary to Government.

5th December 1933.

4373
7/XII/33

First Member of Council bc - Not minuted. 7.12.33.

Second Member of Council Cadoj

Serial No.

I see no objection to the proposal, but am not sanguine that it will evoke much response. Especially purchases of 5½% 6¼% & 6½% bonds which mature in April 1938

ku
7/12/33

RG
8/12

I agree that the scheme be tried, as proposed by the Sec[y]

JPDL
9/12

Financial Secretary, with compliments.

Dewan) DSN is what I suggested RG 9/12

M
9/12

M
9-12-33

DEWAN'S OFFICE. 3682. 8 - DEC. 1933

WD 613—GPB—500—26-9-31

Submitted to His Highness.

Reference is invited to the last para of my Submission Note dated 18th October 1933 stating that the possibility of floating a bigger loan providing for the conversion of the 5 per cent and 5½ per cent Fixed Deposits and the 5½ per cent Bonds of 1938 will be considered after reviewing the progress achieved in the conversion of the Savings Bank call deposits and the 4 per cent Fixed Deposits.

The loan offered to the holders of these deposits was closed on 30th November 1933 and the result reported in my Submission Note dated 9th December 1933. From the progress of the above conversion loan, the terms of the new loan (i.e., 4 per cent issued at par and repayable between 20 to 30 years) do not appear to be unattractive to the public and from our standpoint also they cannot be regarded as onerous and appear to be the best that we can reasonably hope to get for many years to come.

As the present time is considered opportune to convert all our short term debts and deposits maturing during the next eight years, it is proposed to offer the 4 per cent Loan 1953-63 to the holders of 5½ per cent Bonds 1938, 6¼ per cent and 6½ per cent Loans 1940 and 1941, 5½ per cent, 5 per cent, and 4½ per cent Fixed Deposits on the terms indicated in paras 8 to 12 of the Financial Secretary's note, and keep the loan open for three months from 15th December 1933 to 15th March 1934.

Pages 3 to 6 of Office Note

Page 8 of —do—

The Members of Council are agreeable to the above proposal and I solicit the gracious sanction of His Highness thereto.

If the response to the above loan is found to be not much, we do not lose anything and we will be gainers to the extent that any conversion is made.

Mirza M. Ismail

Bangalore,
10th December 1933.

DEWAN.

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Proposal to offer the 4 per cent loan of 1953-63 to the holders of 5½ per cent bonds 1938, 6¼ and 6½ per cent loans 1940 and 1941, 4½, 5 and 5½ per cent Fixed Deposits.

283

Order.

~~KRW~~

12/12/33

C Secy
MD
13-12-33

RD
13/12
R

Serial No.

DEWAN'S OFFICE
12 DEC 1933

I-have ascertained just now by telephone from the Palace that His Highness has graciously approved of the Scheme of Conversion Loan, submitted yesterday.

If approved, the Comptroller will be asked to take further action in the matter of despatching the Loan Notification copies to the several Banks and treasuries etc.

D E W A N).

12/12/33

12-12-33

To comply with Compliments

Noted and returned with Compliments
Necessary further action has been taken.
M. Venkatesalayengar
Comptroller
13.12.33

To the Financial Secy. to Govt.)

NOTE—Contn. Sheet.

WD 70—GBPM—60,000—13-8-31.

General and Revenue Secretariat — File No. 172 of 193?

Serial No.

DEWAN'S OFFICE 3806 1933

Draft letter to the Residency Sending a Copy of the New Loan Notification is put up for approval

Dewan (thro' Chief)

18/12

PR 13/12/33

13-12-33

PR 14/12

To. Major Kirkbride, Secy to the Hon'ble the Resident

D.O. no. PR 629 & 754-12-33

Intimates that the long-term conversion loan is being offered to the holders of the 5½% Bonds of 1938, 6¼ loan of 1940 & 6½% of 1941-51 & the seven year fixed deposits under certain conditions—

NOTE—Contn. Sheet.

WD 70—GBPM—60,000—13-8-31]

General and Revenue Secretariat

1409
G 2 Fl 172 – 33

C 138

Proposals for converting into the 4% long term loan bonds and Savings Bank fixed deposits which carry higher rates of interest.

(*)

31. All urgent or confidential files returned with His Highness' orders may in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

31. In all other cases, the files will first be circulated to the Members of Council at Head-quarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to Members of Council for perusal of His Highness' orders ~~before~~ after issue of orders. (*) (*Vide Rules* 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

R. Rangel

Chief Secretary to Government.

Through the Secretary to Government,

.....Department.

Hdqrs
15.12.33

FIRST MEMBER OF COUNCIL. 15/12/33

3636
15/12

SECOND MEMBER OF COUNCIL. 15/12/33

H. Br. AF 21/12

21.12.33.

NOTE.—Contn. sheet.

General and Revenue Secretariat

File No. 172 of 1933.

[App. F. III—2

Serial No.

DEWAN'S OFFICE. 11. DEC. 1933

I beg to submit herewith for favour of approval the proof copy of the Notification regarding the issue of 4% 1953-63 Loan to be offered to the holders of the 5½%, 6¼% and 6½% Loan Bonds and Savings Bank Fixed Deposits.

As applications for the loan will be received with effect from 15th December 1933, it is necessary to approve of the Notification to-day ~~so that~~ the Comptroller ~~may~~ is arrange to send copies to the Bankers and Brokers at Bombay and other places before this date.

The terms of the Notification follow the terms indicated in my note already approved and submitted to His Highness. I have made the following two additions which may also be approved.

(1) The 4% and 3¾% Fixed Deposits which were ~~xx~~ not in force in March and which were received since July 1933 have also been included for conversion into the New Loan at par.

(2) An additional bonus of two annas per cent is proposed to be paid on the 5½%, 6¼% and 6½% Loan Bonds tendered for conversion before the 25th January 1934, as an inducement to the holders to offer conversion earlier instead of postponing it till the last date. Such bonus is not necessary for the Fixed Deposits and is not offered for them.

If the notification is approved in anticipation of H. H's sanction or getting it by 'phone the Comptroller will be asked to strike off copies and have them ready for distribution

(DEWAN).

NOTE—Contn. Sheet.

WD 0434—GPB—15,000—12-10-33

11/12/33.

Dewan's approval
To compare with Compliments 10/12 hints a copy

62 File No. 172 of 193 3

General and Revenue Secretariat

Serial No.

the notification in favour of further [illegible]

[illegible]

11/12

52

11/12

Noted and returned with Compliments.

Mr. Venkatesalyengar

Comptroller

To The Financial Secy to Govt)

13.12.33

1st & 2nd Mrs) For perusal of my note dated 11-12-33

13/12

13/12

14/12

Serial No.

MYSORE GOVERNMENT 4 % CONVERSION LOAN OF 1953-63.

The object of the new Conversion Loan was to take advantage of the present cheap money market conditions (i) for converting into a Funded Debt our Savings Bank current and fixed deposits, (ii) to convert our 5½%, 6¼% and 6½% loans into a new loan bearing a lower rate of interest and (iii) to get the necessary cash at the present cheap rates to repay on the due dates the unconverted portion of (ii), in the meantime investing it in liquid securities so as to earn at least 4% interest. Instead of calling for cash openly, we provide for this in an indirect manner by receiving 3¾% fixed deposits and allowing them to be converted into the new loan.

2. In framing the terms of the new loan, the conversion terms offered to the holders of fixed deposits and the 5½%, 6¼% and 6½% loans were fixed in such a way that the holders of these securities would get neither more nor less than what they would have got if they had kept their holdings till the date of maturity. It was therefore anticipated by me that there would not be any great response to the conversion. At the same time, I anticipated that the subscriptions in cash or rather through the 3¾% fixed deposits would be in appreciable amounts. This anticipation has proved correct as is seen from the following statement showing the progress of the new loan till 7-2-1934:-

NOTE—Contn. Sheet.

WD 0434—GPB—15,000—12-10-33

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General and Revenue Secretariat

Progress Report till 7-2-1934.

	Balance on 1-7-33 (Second Series)	First Series (Rs in lakhs)	Serial No.	Total	Balance remaining unconverted
1. 5½% Bonds 1938	260.12	13.03		13.03	247.09
2. 6¼% Loan - 1940	119.36	10.12		10.12	109.24
3. 6½% Loan 1941-51	30.50	3.86		3.86	26.64
4. 5 year 3¾% Savings Bank F.D.		62.60		62.60	
5. 5 year 4 % Savings Bank Fixed Deposits ..		0.04		14.60	
6. 5 year 4½% -do-		5.54		5.65	78.86
7. 5 year 5 % -do-	5.72	0.66		1.21	
8. 7 year 5½% -do-	47.02	15.20		15.20	31.82
9. Cash Bonus and interest		3.62		3.62	
Call Deposit	184.99	32.65		32.65	
Total ..		Rs. 114.67 lakhs.		162.54	

3. By the conversion of the savings bank current and the old fixed deposits (i.e., other than 4% and 3¾% fixed deposits), we do not get any new cash and in the case of fixed deposits we do not pay more interest than what is provided for in the Budget, while investments to the extent of 40% of such deposits converted will be released. The subscriptions received under these heads so far being Rs. 54.70 lakhs, the value of securities released, viz., 40 % thereof, will be Rs 21.88 lakhs. Even if the loan is kept open till the last date, viz., 15th March 1934, there is not much prospect of any appreciable amount of fixed deposits being converted. So there is no particular object in closing this portion of the loan.

4. Direct conversion of 5½%, 6¼% and 6½% bonds has been effected only to the extent of 27.01 lakhs, out

Serial No.

out of a possible total of Rs.409.98 lakhs. Even if we keep the loan open for a long time, I do not think we can expect further conversions to any appreciable extent under this head. There is therefore no harm in keeping this also open.

5. New cash is being received in the form of 3½% fixed deposits. If this cash is not touched by Government but is reserved solely for the purpose for which it is taken, viz., the repayment of the high-interest-bearing loans on the due dates and so long as the Comptroller can readily invest such cash in liquid securities so as to earn 4% interest, till the date of maturity of the loans, we do not lose anything by getting such cash to any extent. But for attaining the primary objective mentioned above, viz., to get the necessary ability to discharge the above three loans on the due dates, the amount of extra cash that would be required is found to be as follows:--

	(Rs.in lakhs)
(1) Amount at the credit of Sinking Fund on 1-7-1933 ...	119.37
(2) Contributions from the Revenue Budget for eight years from 1933-34 to 1940-41 at 18.78 lakhs per annum ..	150.24
(3) Value of securities released by the conversion of the old fixed deposits and call deposits	21.88
(4) Value of Loan Bonds tendered for conversion so far	27.01
(5) TOTAL	318.50
(6) Total value of Loan Bonds ...	409.98
(7) Cash required	91.48
(8) Cash received (in the shape of 3½% fixed deposits) and Broke, interest and cash bonus appropriated ..	66.22
Balance ..	25.26

* Since the receipt of the last report a further sum of 8 lakhs has been received I understand by 8/2

NOTE—Contn. Sheet.

WD 0434—GPB—15,000—12-10-33

Serial No.

6. According to the above calculation, the moment we get additional subscriptions to the new loan in the form of 3½% fixed deposits to the extent of Rs 25.26 lakhs, we can stop receiving further cash.

This may be easily done by issuing a notification to the effect that the rate of interest on Five Year Fixed Deposits is reduced from 3½% to 3¼%. This will automatically prevent the 3½% fixed deposits being received and converted into the loan.

7. The other two portions, namely, conversion of the old fixed deposits and the 5½%, 6¼% and 6½% Loan Bonds, may be allowed to continue till the 15th March 1934, though judging from the progress so far, there is no prospect of further conversions to any appreciable extent. Probably the addition may be about 5 or 6 lakhs.

8. If the loan is closed in the manner mentioned above, Government will be in a position to repay three of the loans - 5½%, 6¼% and 6½% - amounting in all to Rs.409.98 lakhs on the due dates in 1938, 1940 and 1941, provided that the additional cash now received is religiously set apart for the purpose.

9. The total subscriptions to the 4% loan will amount to about 2 crores and after discharging the remaining debts between the years 1938 and 1940, we will be left with only 2 debts, namely, Rs.163.44 lakhs of 5% repayable in 1955 and Rs.200 lakhs of 4% repayable in 1953.63. This indebtedness cannot

Serial No.

cannot be regarded as very high when compared with the indebtedness in the year 1922 which amounted to Rs.349.33 lakhs, taking into consideration the heavy capital expenditure of about five crores which has been incurred between 1922 and to-day.

10. Apart from this, the position of Government both in the Revenue Budget and Ways and Means will continue unaltered; i.e., the Revenue Budget will show a deficit of nearly 18 lakhs and the Ways and Means position will permit of Capital Expenditure being incurred only to the extent of the normal accretions under the Savings Bank Deposits, Fund Heads etc., in the year.

11. If Government want to embark on any Capital Expenditure which requires heavier outlay than what can be met from the normal accretions to the Savings Bank and Fund heads without undermining the financial position, it can be only if a 4% return is assured immediately from the date of expenditure towards interest charges and another 4% for the Sinking Fund. If this is assured, money necessary for such purposes may also be borrowed and the loan may be kept open until the cash subscriptions reach such figure. But we should be very chary of taking up new works as our past Experience has been unhealthy and many returns less than 8% with land as difficulties.

12. In the present Budget, we are providing for a contribution of Rs.18.78 lakhs, to the Sinking Fund. Multiplying this by 25, it comes to about Rs.469 lakhs which may be regarded as a safe figure up to which we can have a funded debt at any moment. The

WD 0434—GPB—15,000—12-10-33

The capital value of the Productive Works will be very much more than this and the contribution to the Sinking Fund and the interest for the loan may be met out of the Revenue Budget for the loan of this extent, without being made worse than it is to-day.

13. That the Revenue Budget should be balanced at the earliest possible date and that until this is done, the financial position of the Government cannot be regarded as satisfactory cannot be over emphasized.

14. In this connection, I have to mention that to ease the Revenue position, the interest on the Loan Sinking Fund was permitted to be utilised as ordinary revenue in the current year's Budget, instead of being added on to the sinking fund and thus reinvested. At the earliest possible moment, the Budget will have to be balanced, and the old arrangement of allowing the interest to be credited to the Sinking Fund revived, so that the Sinking Fund may be sufficient to repay the 5% Loan and the new 4% Loan on the due dates.

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H

General and Revenue Secretariat — File No. 172 of 1933 — [App. F. III—2

Serial No.

cash is that there will be a strong inducement to invest the money in capital works which may be promising in the beginning but may prove quite profitless. Our capital programme should not be influenced in the least by the fact that we have this large amount of cash at command.

8/2/34

OFFICE OF THE SECOND MEMBER OF COUNCIL. 16 FEB. 1934 No. 52-S-1

I agree

16-2-34

2 Wd Nr Stirling 3¾ F 53

For terminal orders were issued on the 13th

17.2.34.

G.O.C. No 32 4743-802 G 32 167-33-2 dated 13-2-34

19.2.34.

19/2

20/2/34.

16 FEB. 1934 No. 529

FEB. 1934 No.

BRANCH 2642

03

1-3-34

NOTE—Contn. Sheet.

WD 0434—GPB—15,000—12-10-33

G. F. 172-33-41

Government of his highness the Maharaja of Mysore.

FINANCIAL DEPARTMENT.

Notification No Fl. 3147-55—G. F. 172-33, dated 11th December 1933.

MYSORE GOVERNMENT FOUR PER CENT CONVERSION LOAN, 1953-63.

(*Free of Income-tax.*)

From the 15th December 1933 up to the 15th March 1934 inclusive.

Holders of—

1. 5½% Bonds 1938,
2. 6¼% Loan 1940,
3. 6½% Loan 1941-51,
4. 5½% Seven-Year S. B. Fixed Deposits,
5. 5%, 4½%, 4% and 3¾% Five-Year S. B. Fixed Deposits,

will have the option of converting their holdings into **Four Per Cent Tax-Free Conversion Loan of 1953-63** issued under the terms mentioned below.

2. The Loan is only for conversion. Cash subscriptions will not be accepted. Instead of the Cash bonus and interest payable according to paras 6 and 7 below, however, Four Per Cent New Loan Bonds of a corresponding face value will be issued at the option of the applicant.

3. The new Conversion Loan will bear interest at 4 per cent per annum from 1st December 1933. The interest will be free of both Mysore Government and Government of India Income-tax, but it will be taken into account in determining the rate at which the tax will be levied on other income. The interest will be payable on 1st June and 1st December of each year.

4. The Loan is repayable at par at the end of 30 years, *i.e.*, on 1st December 1963. But the Government will have the option to repay the whole or any part of it after 20 years, *i.e.*, on or after 1st December 1953, subject to three months' previous notice being given in the *Mysore Government Gazette*.

5. The interest on the Loan will be paid at any Treasury of the State or at any District Treasury in British India or at the Imperial Bank of India, Madras, or at the Bank of Mysore, Limited, at its Head Office and Branches.

6. **Five and a half per cent Bonds 1938 ; Six and a quarter per cent Loan 1940 ; Six and a half per cent Loan 1941-51.**—For every Rs. 100 (nominal value) of each of the above kind of bonds tendered for conversion, applicants will receive Rs. 100 (nominal value) of the 4 per cent Conversion Loan, 1953-63, bearing interest from 1st December 1933, and the following payments in cash at the time of issue of the new securities :—

(*a*) Interest on the old bonds at the old rates, which has accrued up to end of November 1933.

(*b*) Cash bonus on conversion calculated at the following rates :—

5½% Bonds 1938	...	Rs. 6-10-0
6¼% Loan 1940	...	,, 13-5-0
6½% Loan 1941-51	...	,, 16-8-0

(*c*) In the case of conversion applications received on or before the 25th January 1934, **an additional bonus of two annas per cent** will be allowed.

7. **Savings Bank Fixed Deposits.**—For every Rs. 100 of the Fixed Deposits tendered for conversion, applicants will receive Rs. 100 (nominal value) of the 4 per cent Conversion

Loan, 1953-63, bearing interest from 1st December 1933 and the following payments in cash at the time of issue of the new securities :—

(*a*) Interest on the Fixed Deposits at five and a half per cent, five per cent, four and a half per cent, four per cent and three and three-fourths per cent as the case may be up to the end of November 1933, if not already drawn.

(*b*) Cash bonus for each complete month after 1st December 1933, till the date of maturity of the deposits, calculated at the following rates :—

	For each complete month	
5½% Seven-Year Fixed Deposits	Rs.	0-1-6
5% Five-Year Fixed Deposits	,,	0-1-0
4½% Five-Year Fixed Deposits	,,	0-0-6
4% and 3¾% Five-Year Fixed Deposits	,,	Nil

Any interest that might not have been earned subsequent to 1st December 1933 or that might have been paid on the Fixed Deposits for periods subsequent to the 1st December 1933 will be adjusted out of the Cash bonus payable or recovered in cash at the time of the issue of the new securities.

8. The Loan will be kept open from the 15th December 1933 up to the 15th March 1934 inclusive, but the offer may be closed without notice at any time within this period, at the discretion of Government.

SUPPLEMENTARY PROVISIONS.

9. The nominal value of the securities tendered for conversion and the amount of Cash bonus and interest for which new securities are required in exchange, must be multiples of Rs. 100.

10. Applications will be received at—

The Comptroller's Office, Bangalore.

All Treasuries in the State.

The Head Offices and Branches of the Bank of Mysore, Limited and of the Imperial Bank of India.

11. The Loan will be issued in the form of—

(*a*) Stock, the applicants for which will be given Stock Certificates, or

(*b*) Promissory Notes.

If no preference is stated by applicants, the securities will be issued in the form of Promissory Notes.

12. The Promissory Notes of the New Loan will be issued in the following denominations :—

Rs. 100, 500, 1,000, 5,000, 10,000, 25,000, 50,000 and 1,00,000.

13. Applications may be in the form attached hereto or in any other form which states clearly the amount and the description of the securities required, the full name and address of the applicant and the Bank, Treasury, or Sub-Treasury (in Mysore) at which he desires that interest may be paid.

14. Tenderers of securities for conversion must transfer such securities to the Government of Mysore (*a*) in the case of Stock, by signing the form of transfer deed on the back of the Stock Certificate before a witness, and (*b*) in the case of Promissory Notes, by endorsing them with the words "Pay to the Comptroller, Mysore Government," over their signatures.

15. Tenderers of Fixed Deposit Receipts for conversion must transfer such deposits to the Government of Mysore by endorsing on them the words "Contents Received, Pay to the Comptroller, Mysore Government" over their signatures.

16. New Bonds and the cheques or demand drafts for the "Cash bonus and interest" due, will be arranged to be sent by the Comptroller.

17. Brokerage will be paid at the rate of 3/32 per cent to recognised brokers and bankers on applications for conversion, bearing their stamps.

By Order,

S. SHAMANNA,

Financial Secretary to Government.

Form of Application to the Mysore Government

Four Per Cent Conversion Loan, 1953-63

Application No.

$\frac{I}{We}$.....herewith ten (*a*) derSecurities of the face value of Rs.....(*b*) cash bonus and interest thereon for Rs.....as detailed overleaf and request that Four Per Cent Loan Bonds of 1953-63 of the nominal value of Rs.....be issued to $\frac{me}{us}$ in the form of Stock Certificate—Promissory Notes of the following denominations—interest being payable at.....

Station.....

Date.....

Signature.....

Name in full.....

Address.....

Serial No.	Denomination of pieces	Number of pieces	Face value, rupees	Amount of Bonus and interest to be paid by cheque	For use by the Comptroller's Office	
					Denomination and numbers of Pro-notes issued	No. and date of Cheque for payment of Cash bonus and interest

Details of securities offered for conversion.

Serial No.	Name of the securities	Number of pieces	Denomination	Numbers of the securities	Total face value	Cash bonus and interest
1	6½% Bonds 1940					
2	6½% Bonds 1941-51					
3	5½% Bonds 1938					
4	5½% Seven-Year S. B. Fixed Deposit Receipts					
5	5% Five-Year S. B. Fixed Deposit Receipts					
6	4½% Five-Year S. B. Fixed Deposit Receipts					
7	4 % Five-Year S. B. Fixed Deposit Receipts					
8	3¾ % Five-Year S. B. Fixed Deposit Receipts					
	Total ...					

Received the Securities and Fixed Deposit Receipts specified here.

Treasury Officer.

NOTE 1.—Securities tendered for conversion should be endorsed with the words "Pay to the Comptroller, Mysore Government" over the signature of the applicant, if they are in the form of Promissory Notes, but if they are in the form of Stock Certificates, the transfer deed on the back should be signed by him before a witness.

NOTE 2.—Fixed Deposits Receipts tendered for conversion should be endorsed with the words "Contents Received, Pay to the Comptroller, Mysore Government," over the signature of the applicant in the discharge column on the back of the Fixed Deposit Receipts.

W D 1027—GPB—2,000—12-12-33.

14th December 1933

D.O. Pol. 621 Gone. | C.R. 172-33-42

Dear Major Kirkbride,

I am desired to invite reference to my D.O.letter No. Pol.429 dated 25th October 1933, regarding the issue of a long-term Conversion Loan (4% 1953-63 Loan) for converting Savings Bank Call Deposits and short-term Fixed Deposits. The loan which was kept open from 1st November 1933 was closed on 30th November 1933 and the total amount of subscriptions comes to about half-a-crore.

It is now proposed to offer the same long-term Loan to the holders of the 5½% Bonds of 1938, 6½% Loan of 1940 and 6½% Loan of 1941-51 (both in and outside Mysore) and the Seven-Year and Five-Year Fixed Deposits under certain conditions and keep the Loan open for three months from 15th December 1933 to 15th March 1934. The underlying idea in the Scheme of Conversion is to offer the holders of the above Securities, a 4% Paper of the New Loan of the same face value and in addition a Cash bonus based on the present value of the difference in interest between 4% (the interest on the new Loan) and the interest carried by the original Security for the remaining period of its currency.

A copy of the Notification issued in this connection is herein enclosed for information.

Yours sincerely,

RG
14/12/33.

Major G. Kirkbride, I.A.,
Secretary to the
Hon'ble the Resident in Mysore.

Draft

C.F. 472-33-42 Pol 621 dt 14.12.1933

To

The Secretary to the Resident
in Mysore, Bangalore.

Dear Sir,

I am desired to invite reference to my D.O.No. Pol. 429 dated 25th October 1933 regarding the issue of a long-term Conversion Loan (4% 1953-63 Loan) for converting Savings Bank Call Deposits and short-term Fixed Deposits. The loan which was kept open from 1st November 1933 was closed on 30th November 1933 and the total amount of subscriptions ~~to the Loan~~ comes to about half-a-crore.

It is now proposed to offer the same long-term Loan to the holders of the 5½% Bonds of 1938, 6¼% Loan of 1940 and 6½% Loan of 1941-51 (both in and outside Mysore) and the Seven-Year and Five-Year Fixed Deposits under certain conditions and keep the Loan open for three months from 15th December 1933 to 15th March 1934. The underlying idea in the Scheme of Conversion is to offer the holders of the above Securities, a 4% Paper of the New Loan of the same face value and in addition a Cash bonus based on the present value of the difference in interest between 4% (the interest on the new Loan) and the interest carried by the original Securities for the remaining period of its currency.

A copy of the Notification issued in this connection is herein enclosed for information.

Yours sincerely,

13/12

13/12 Chief Secretary.

DEWAN'S OFFICE
13 DEC 1933

Government of his highness the Maharaja of Mysore.

FINANCIAL DEPARTMENT.

Notification No. Fl. 3147-55—G. F. 172-33, dated 11th December 1933.

MYSORE GOVERNMENT FOUR PER CENT CONVERSION LOAN, 1953-63.

(Free of Income-tax.)

From the 15th December 1933 up to the 15th March 1934 inclusive.

Holders of—

1. 5½% Bonds 1938,
2. 6¼% Loan 1940,
3. 6½% Loan 1941-51,
4. 5½% Seven-Year S. B. Fixed Deposits,
5. 5%, 4½%, 4% and 3¾% Five-Year S. B. Fixed Deposits,

will have the option of converting their holdings into **Four Per Cent Tax-Free Conversion Loan of 1953-63** issued under the terms mentioned below.

2. The Loan is only for conversion. Cash subscriptions will not be accepted. Instead of the cash bonus and interest payable according to paras 6 and 7 below, however, Four Per Cent New Loan Bonds of a corresponding face value will be issued at the option of the applicant.

3. The new conversion loan will bear interest at 4 per cent per annum from 1st December 1933. The interest will be free of both Mysore Government and Government of India Income-tax, but it will be taken into account in determining the rate at which the tax will be levied on other income. The interest will be payable on 1st June and 1st December of each year.

4. The loan is repayable at par at the end of 30 years, *i.e.*, on 1st December 1963. But the Government will have the option to repay the whole or any part of it after 20 years, *i.e.*, on or after 1st December 1953, subject to three months' previous notice being given in the *Mysore Government Gazette*.

5. The interest on the loan will be paid at any Treasury of the State or at any District Treasury in British India or at the Imperial Bank of India, Madras, or at the Bank of Mysore, Limited, at its Head Office and Branches.

6. **Five and a half per cent Bonds 1938 ; Six and a quarter per cent Loan 1940 ; Six and a half per cent Loan 1941-51.**—For every Rs. 100 (nominal value) of each of the above kind of bonds tendered for conversion, applicants will receive Rs. 100 (nominal value) of the 4 per cent Conversion Loan, 1953-63, bearing interest from 1st December 1933, and the following payments in cash at the time of issue of the new securities :—

(*a*) Interest on the old bonds at the old rates, which has accrued up to end of November 1933.

(*b*) Cash bonus on conversion calculated at the following rates :—

5½% Bonds 1938	...	Rs.	6-10-0
6¼% Loan 1940	...	,,	13-5-0
6½% Loan 1941-51	...	,,	16-8-0

(*c*) In the case of conversion applications received on or before the 25th January 1934, **an additional bonus of two annas per cent** will be allowed.

7. **Savings Bank Fixed Deposits.**—For every Rs. 100 of the Fixed Deposits tendered for conversion, applicants will receive Rs. 100 (nominal value) of the 4 per cent Conversion

Loan, 1953-63, bearing interest from 1st December 1933 and the following payments in cash at the time of issue of the new securities :—

(*a*) Interest on the Fixed Deposits at five and a half per cent, five per cent, four and a half per cent, four per cent and three and three-fourths per cent as the case may be up to the end of November 1933, if not already drawn.

(*b*) Cash bonus for each complete month after 1st December 1933, till the date of maturity of the deposits, calculated at the following rates :—

	For each complete month
5½% Seven-Year Fixed Deposits	Rs. 0-1-6
5% Five-Year Fixed Deposits	,, 0-1-0
4½% Five-Year Fixed Deposits	,, 0-0-6
4% and 3¾% Five-Year Fixed Deposits	,, Nil

Any interest that might not have been earned subsequent to 1st December 1933 or that might have been paid on the Fixed Deposits for periods subsequent to the 1st December 1933 will be adjusted out of the cash bonus payable or recovered in cash at the time of the issue of the new securities.

8. The Loan will be kept open from the 15th December 1933 up to the 15th March 1934 inclusive, but the offer may be closed without notice, at any time within this period, at the discretion of Government.

SUPPLEMENTARY PROVISIONS.

9. The nominal value of the securities tendered for conversion and the amount of Cash bonus and interest for which new securities are required in exchange, must be multiples of Rs. 100.

10. Applications will be received at—

The Comptroller's Office, Bangalore.

All Treasuries in the State.

The Head Offices and Branches of the Bank of Mysore, Limited and of the Imperial Bank of India.

11. The Loan will be issued in the form of—

(*a*) Stock, the applicants for which will be given Stock Certificates, or

(*b*) Promissory Notes.

If no preference is stated by applicants, the securities will be issued in the form of Promissory Notes.

12. The Promissory Notes of the New Loan will be issued in the following denominations :—

Rs. 100, 500, 1,000, 5,000, 10,000, 25,000, 50,000 and 1,00,000.

13. Applications may be in the form attached hereto or in any other form which states clearly the amount and the description of the securities required, the full name and address of the applicant and the Bank, Treasury, or Sub-Treasury (in Mysore) at which he desires that interest may be paid.

14. Tenderers of securities for conversion must transfer such securities to the Government of Mysore (*a*) in the case of Stock, by signing the form of transfer deed on the back of the Stock Certificate before a witness, and (*b*) in the case of Promissory Notes, by endorsing them with the words "Pay to the Comptroller, Mysore Government," over their signatures.

15. Tenderers of Fixed Deposit Receipts for conversion must transfer such deposits to the Government of Mysore by endorsing on them the words "Contents Received, Pay to the Comptroller, Mysore Government" over their signatures.

16. New Bonds and the cheques or demand drafts for the "Cash bonus and interest" due, will be arranged to be sent by the Comptroller.

17. Brokerage will be paid at the rate of 3/32 per cent to recognised brokers and bankers on applications for conversion, bearing their stamps.

By Order,

S. SHAMANNA,

Financial Secretary to Government.

Form of Application to the Mysore Government

Four Per Cent Conversion Loan, 1953-63.

Application No.

$\frac{I}{We}$.....herewith tender (*a*) Securities of the face value of Rs.....(*b*) cash bonus and interest thereon for Rs.....as detailed overleaf and request that Four Per Cent Loan Bonds of 1953-63 of the nominal value of Rs.....be issued to $\frac{me}{us}$ in the form of Stock Certificate—Promissory Notes of the following denominations—interest being payable at.....

Station.....

Date.....

Signature.....

Name in full.....

Address.....

Serial No.	Denomination of pieces	Number of pieces	Face value, rupees	Amount of Bonus and interest to be paid by cheque	For use by the Comptrolier's Office	
					Denomination and numbers of Pro-notes issued	No. and date of Cheque for payment of Cash bonus and interest

Details of securities offered for conversion.

Serial No.	Name of the securities	Number of pieces	Denomination	Numbers of the securities	Total face value	Cash bonus and interest
1	6½% Bonds 1940					
2	6½% Bonds 1941-51					
3	5½% Bonds 1938					
4	5½% Seven-Year S. B. Fixed Deposit Receipts					
5	5% Five-Year S. B. Fixed Deposit Receipts					
6	4½% Five-Year S. B. Fixed Deposit Receipts					
7	4 % Five-Year S. B. Fixed Deposit Receipts					
8	3⅜ % Five-Year S. B. Fixed Deposit Receipts					
	Total ...					

Received the Securities and Fixed Deposit Receipts specified here.

Treasury Officer.

NOTE 1.—Securities tendered for conversion should be endorsed with the words "Pay to the Comptroller, Mysore Government" over the signature of the applicant, if they are in the form of Promissory Notes, but if they are in the form of Stock Certificates, the transfer deed on the back should be signed by him before a witness.

NOTE 2.—Fixed Deposits Receipts tendered for conversion should be endorsed with the words "Contents Received, Pay to the Comptroller, Mysore Government," over the signature of the applicant in the discharge column on the back of the Fixed Deposit Receipts.

W D 1027—GPB—2,000—12-12-33

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

It is the desire of Govt that the New Loan Notification has to be advertised extensively in the papers. The Comptroller is requested to note the action taken ~~or~~ proposed to be taken in the matter.

13-12-33

Financial Secretary

Comptroller
with compliments.

Rev No 1572/32 of 14-12-33

Noted and returned with Compliments. Some action has already been taken in this respect. A copy of the letter addressed to the Publicity Officer to Govt with a copy of the matter for advertisement is enclosed herewith for information. The Pub'y Officer will be asked of he proposes any further action

M. Venkatasalyengar
Comptroller
GPS
13.12.33

To The Financial Secretary to Govt.

For perusal with reference

Dewan

N.B.—Should routine notes be written on small slips, the notes must be copied, as slips pasted on this form.

R. A. & L. C.

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

Copy of letter No.1501/S.L. dated 12-12-1933 from the Comptroller to the Government of Mysore, to the Publicity Officer, Bangalore.

I have the honour to forward herewith a copy of a short notification regarding the Mysore Government 4% Conversion Loan 1953-63 now issued and to request you to kindly publish it in local news papers till 15-3-1934 as a standing advertisement in space reserved for Government and also in important papers outside the State including the Indian States upto end of January 1934 in the first instance. as a payable advertisement. Three half column insertions and three quarter column insertions in the several papers will do for the present. Certain important papers in which the State Loan was advertised in 1930 are noted below for information. The probable cost of the advertisement may also be kindly intimated.

1. Free Press Journal, Bombay.
2. Times of India, Bombay.
3. Indian Daily Mail, Bombay.
4. Justice, Madras.
5. The Hindu, Madras.
6. Madras Mail, Madras.
7. Mysore Chamber of Commerce, Bangalore City.
8. The Pioneer, Allahabad.
9. Hyderabad Bulletin, Secunderabad.
10. Trivandrum Daily News, Trivandrum.
11. The Statesman, Calcutta.
12. Capital, Calcutta.
13. The Behar Herald, Patna.
14. Musheeri, Deccan, Hyderabad.
15. Sri Sayyaji Vijaya, Baroda.
16. Sind Observer, Karachi.
17. Leader, Allahabad.
18. Bombay Chronicle, Bombay.
19. Sunday Times, Madras.
20. The Mathru Bumi, Calicut.

"Copy".

Superintendent, S.L. Section.

Copy of letter No.1801/S.M. dated 11-11-1933 from the Comptroller to the Government of Mysore, to the Publicity Officer, Bangalore.

I have the honour to forward herewith a copy of a short notification regarding the Mysore Government 4% Conversion Loan 1933-53 now issued and to request you to kindly publish it in local news papers till 15-3-1934 as a standing advertisement in space received for Government and also in important papers outside the State including the Indian States upto end of January 1934 in the first instance. As a payable advertisement. Three half column insertions and three quarter column insertions in the several papers will do for the present. Certain important papers in which the State was advertised in 1930 are noted below for information. The probable cost of the advertisement may also be kindly intimated.

1. Free Press Journal, Bombay.
2. Times of India, Bombay.
3. Indian Daily Mail, Bombay.
4. Justice, Madras.
5. The Hindu, Madras.
6. Madras Mail, Madras.
7. Mysore Chamber of Commerce, Bangalore City.
8. The Pioneer, Allahabad.
9. Hyderabad Bulletin, Secunderabad.
10. Trivandrum Daily News, Trivandrum.
11. The Statesman, Calcutta.
12. Capital, Calcutta.
13. The Amrit Bazar Patrika, Calcutta.
14. Hindustan, Deccan, Hyderabad.
15. Sri Satyaji Vijaya, Baroda.
16. Hind Observer, Poona.
17. Leader, Allahabad.
18. Bombay Chronicle, Bombay.
19. Sunday Times, Madras.
20. The Madras Mail, Calicut.

"Copy".

Government, ... Circular.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

4% CONVERSION LOAN 1953-1963 ISSUED AT PAR.

FREE OF BRITISH INDIAN AND MYSORE INCOMETAX.

OPEN FROM 15th December 1933 to 15th March 1934 inclusive subject to closure at any time without notice by Government.

- * -

Subscriptions may be in Mysore Government 6¼% Loan 1940; 6½% Loan 1941-51 and 5½% Bonds 1938 and in Savings Bank Fixed Deposits as noted in the Notification.

A cash bonus based on the present value of the excess in interest of the current loans over 4% is payable at the following rates immediately

6¼% Loan 1940.	Rs.13-5-0	per Rs.100, face value.
6½% Loan 1941-51.	16-8-0	do
5½% Bonds 1938.	6-10-0	do

A special bonus of annas two per cent will be allowed on applications for conversion of the above three loans received on or before the 25th January 1934.

For terms of conversion of the various kinds of Deposits please refer to the Notification.

Holders may, if they so desire, tender the cash bonus and interest as subscription to the Loan for further amounts in multiples of Rs.100.

Brokerage will be allowed to recognised Brokers and Bankers at the rate of 3/32 per cent.

For further particulars, please refer to Mysore Government Notification No.Fl.3147-55/G.F.172-33 dated 11th December 1933 or apply to the Comptroller, Mysore Government, Bangalore or any interest paying Treasury in the State or any branch or head office of the Imperial Bank of India, and of the Bank of Mysore, Ltd.

M. VENKATESA IYENGAR,

Comptroller.

"Copy".

M. Narasimhachar

Superintendent, S.L. Section.